

Contents / Yaliyomo



Brand Belief

We believe that the development of an informed perspective enables communities to fulfill their true potential. Nation Media Group Limited therefore creates multiple media opportunities to inform, educate and entertain.

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Notice of Annual General Meeting

Notice is hereby given that the Forty Second Annual General Meeting of the Shareholders of Nation Media Group Limited will be held at the Nation Printing Plant, Mombasa Road, Nairobi on Thursday 26 May 2005 at 3.00 p.m. for the following purposes:

ORDINARY BUSINESS

- 1 To receive the financial statements for the year ended 31 December 2004 and the chairman's, directors' and auditors' reports thereon.
- 2 To confirm the payment of the interim dividend of 20% and to approve the payment of a final dividend of 100% on the ordinary share capital in respect of the year ended 31 December 2004.
- 3 To authorise the directors to fix the remuneration of the auditors, PricewaterhouseCoopers.
- 4 To re-elect the following directors:

In accordance with Article 110 of the Company's Articles of Association, Mr. A. B. Bekah, Mr. D. Aluanga, Mr. F. O. Okello and Mr. J. Lee retire by rotation and being eligible, offer themselves for re-election.

SPECIAL BUSINESS

To consider and if thought fit to pass the following resolutions as Special Resolutions:

- 5 That the authorised share capital of the Company be increased from Kenya Shillings Three Hundred Million (Shs.300,000,000) divided into Sixty Million (60,000,000) ordinary shares of Kenya Shillings Five (Shs.5.00) each to Kenya Shillings Six Hundred Million (Shs.600,000,000) divided into One Hundred and Twenty Million (120,000,000) ordinary shares of Kenya Shillings Five (Shs.5.00) each by creation of Sixty Million (60,000,000) new ordinary shares of Kenya Shillings Five (Shs.5.00) each, such shares to rank pari passu with the existing ordinary shares of the Company.
- 6 That subject to the approval of the Capital Markets Authority and the Nairobi Stock Exchange, the sum of Shs.89,131,575 being part of the amount now standing to the credit of the revenue reserves of the Company, be capitalised and that the same be applied in making payment in full at par for 17,826,315 ordinary shares of Shs.5.00 each in the capital of the Company. Such shares to be distributed as fully paid among the persons who were registered as holders of the ordinary shares in the capital of the Company at the close of business on 13 May 2005 at the rate of one new fully paid ordinary share for every three ordinary shares held by such holders respectively and further that such shares shall not qualify for the payment of the final dividend for the year 2004 declared by this meeting.
- 7 That Article 93 of the Company's Articles of Association be amended and replaced by the following wording,

"Unless and until otherwise determined by the Company in General Meeting, the number of Directors shall not be less than two and not more than thirteen excluding Alternate Directors."

By order of the Board
J C Kinyua
Secretary

16 March 2005

Note: A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. Such proxy need not be a member of the Company. To be valid, proxy forms must be deposited at the Company's registered office not less than 48 hours before the appointed time of the meeting.

Tangazo la Mkutano Mkuu Wa Mwaka

Ilani inatolewa hapa kuwa Mkutano Mkuu wa arobaini na mbili wa kila Mwaka kwa wenyehisa wa kampuni ya Nation Media Group utafanywa katika kiwanda cha uchapishaji cha Nation , Nation Printing Plant, kilichoko Mombasa Road, Nairobi, hapo siku ya Alhamisi Mei 26, 2005, Saa 9 alasiri kwa madhumuni yafuatayo:

SHUGHULI ZA KAWAIDA

1. Kupokea taarifa ya hesabu ya mwaka uliomalizika Disemba 31, 2004, pamoja na taarifa za mwenyekiti, wakurugenzi na wakaguzi wa hesabu.
2. Kuthibitisha malipo ya mgawo wa muda wa asilimia 20 na kuidhinisha malipo ya mgawo wa mwisho wa asilimia 100 kwa hisa ya kawaida kwa kuzingatia mwaka uliomalizika Desemba 31, 2004.
3. Kuwaidhinisha wakurugenzi waamue malipo ya wakaguzi wa fedha, PricewaterhouseCoopers.
4. Kuwachagua tena wakurugenzi wafuatao:

Kuambatana na Kifungu cha 110 cha Kanuni za Kampuni, Bw A.B. Bekah, Bw D. Aluanga, Bw F.O. Okello na Bw J.Lee wanastaafu kwa zamu na, kwa kuwa wanahitimu, wanajitolea kuchaguliwa tena.

SHUGHULI MAALUMU

Kufikiria na kama ni sawa , kupitisha maazimio yafuatayo kama Maazimio Maalumu:

5. Kwamba mtaji wa hisa wa kampuni uongezwe kutoka Shilingi Milioni Mia tatu za Kenya (shilingi 300,000,000) zilizogawanywa katika hisa za kawaida Milioni Sitini (60,000,000) za shilingi tano kila hisa (shilingi 5.00) hadi shilingi milioni mia sita za kenya (shilingi 600,000,000) zilizogawanya katika hisa za kawaida milioni mia moja na ishirini (120,000,000) za shilingi tano (shilingi 5.00) kila hisa kwa kuzindua hisa mpya za kawaida milioni sitini (60,000,000) za shilingi tano (shilingi 5.00) kwa hisa ambazo zitajumuishwa sawasawa na hisa za kawaida za kampuni ambazo zipo.
6. Kwa kutegemea idhini ya Halmashauri ya Masoko ya Mitaji na Shirika la Hisa la Nairobi, jumla ya Shilingi 89,131,575, ikiwa sehemu ya kiasi kinachowakilisha malipo ya hifadhi za mapato za Kampuni, zigeuzwe kuwa mtaji na kiasi kama hicho kitumiwe katika kutoa malipo kamili kuambatana na hisa za kawaida 17,826,315 za Shilingi 5.00 kila moja za Kampuni. Hisa kama hizo zigawanywe kama malipo kamili ya watu waliosajiliwa kama wamilikaji wa hisa za kawaida katika mtaji wa Kampuni kufikia mwisho wa siku ya Mei 13, 2005, kwa kiwango cha hisa moja ya kawaida iliyolipiwa kamili kwa kila hisa tatu za kawaida za wamilikaji hao, pamoja na kuwa hisa kama hizo hazitastahili malipo ya mgawo wa mwisho wa mwaka wa 2004 yatakayotangazwa kwenye mkutano huu.
7. Kwamba Kifungu cha 93 cha Kanuni za Kampuni kirekebishwe na kubadilishwa na maneno yafuatayo:
"Isipokuwa na hadi iamuliwe vingine na Kampuni katika Mkutano Mkuu, idadi ya Wakurugenzi haitakuwa chini ya wawili na wala haitozidi kumi na tatu, bila ya kuwajumuisha Wakurugenzi wa zamu."

Kwa Amri Ya Halmashauri
J. C. Kinyua
Katibu

Machi 16, 2005

MAELEZO: Mwanachama wa kampuni mwenye haki ya kuhudhuria na kupiga kura katika mkutano mkuu, anaweza kumteua mwakilishi wake kuhudhuria mkutano na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa Kampuni. Ili kukubaliwa , fomu ya wakala ni lazima iwasilishwe katika afisi iliyosajiliwa ya Kampuni sio chini ya muda wa saa 48 kabla ya saa ya kuanza kwa mkutano iliyotangazwa.

Annual Highlights 2004

- ◆ *Group turnover increases by Shs.397.1 million (9%) to Shs.4.9 billion*
- ◆ *Nation Broadcasting turnover increases by 35%*
- ◆ *Operating profit increases by 2% to Shs.826.0 million*
- ◆ *Profit attributable to shareholders increases by 6% to Shs.641.4 million*
- ◆ *Proposed ordinary dividend for the year increases by 20%*

Matukio Muhimu ya 2004

Mapato ya kampuni yaliongezeka kwa Shilingi milioni 397.1 (asilimia 9) hadi Shilling bilioni 4.9 ◆

Mapato ya Nation Broadcasting yaliongezeka kwa asilimia 35 ◆

Faida ya kibiashara iliongezeka kwa asilimia 2 hadi Shilingi milioni 826.0 ◆

Faida inayostahili wenye hisa iliongezeka kwa asilimia 6 hadi Shilingi milioni 641.4 ◆

Mgawo wa kawaida wa mwaka uliopendekezwa uliongezeka kwa asilimia 20 ◆

Your Board is committed to ensuring that the group adheres to the highest standards of corporate governance. The role of the Board is to determine the company's policy and strategy, to monitor the attainment of business objectives and to ensure that the company meets its obligations to the shareholders. The directors are also responsible for overseeing the group's internal control systems. These controls are designed both to safeguard the group's assets and to ensure the reliability of the financial information used within the business.

Also, in line with the guidelines issued by the Capital Markets Authority, the Board has the following Board Committees:-

1. Nomination Committee, which advises on executive and non-executive board appointments.
2. Finance and Audit Committee, whose main duties are; to ensure that the systems of internal controls are effectively administered, to define the responsibilities of the internal auditors and to review the financial statements.
3. Strategic Planning Committee, which considers and advises on the group's strategic direction.
4. Editorial Committee, which considers and advises on the group editorial policy, the journalistic code of ethics and legal responsibilities.
5. Remuneration Committee, which reviews executive and non-executive directors remuneration.

There is a clearly defined organisational structure within which individual responsibilities are identified in relation to internal financial controls. The structure is complemented by policies and management operates the business in compliance with these policies.

The Group Chief Executive chairs the Executive Committee which comprises the executive directors and other senior executives. The committee deals with operational matters and co-ordinates activities across the group's various subsidiary companies and divisions.



CORPORATE SOCIAL RESPONSIBILITY

The case for Corporate Social Responsibility (CSR) is underpinned by the fact that society and business are intricately interconnected. The well-being of one depends on the other.

Being a responsible corporate citizen, Nation Media Group takes cognizance of the social, economic and environmental impacts of its activities wherever it operates.

Whilst profitability remains important for our continued existence we strive to pursue our commercial objectives with a human face.

Over the past several years, the group, in partnership with like minded organizations has involved itself in life-changing activities both in the emergency and long-term development.

The Nation Aberdare Forest Fund was the main initiative in the environment category of our CSR programmes.

Together with other initiatives by the Rhino Ark, the initiative raised over Kshs. 84.0 million to help fence off the Aberdare Forest. We pay special tribute to the Rhino Ark Charitable Trust with whom we have partnered to safeguard the key source of water for a large part of the population in which we operate.

Many organizations have contributed to the fund and two thirds of the forest has already been

CORPORATE SOCIAL RESPONSIBILITY

fenced off. The remaining section of the fence will be completed in due course. We invite all to join us in making this dream a reality.

We have now broadened our involvement in conservation of the environment to include reforestation starting at Karura Forest where we have planted thousands of trees.

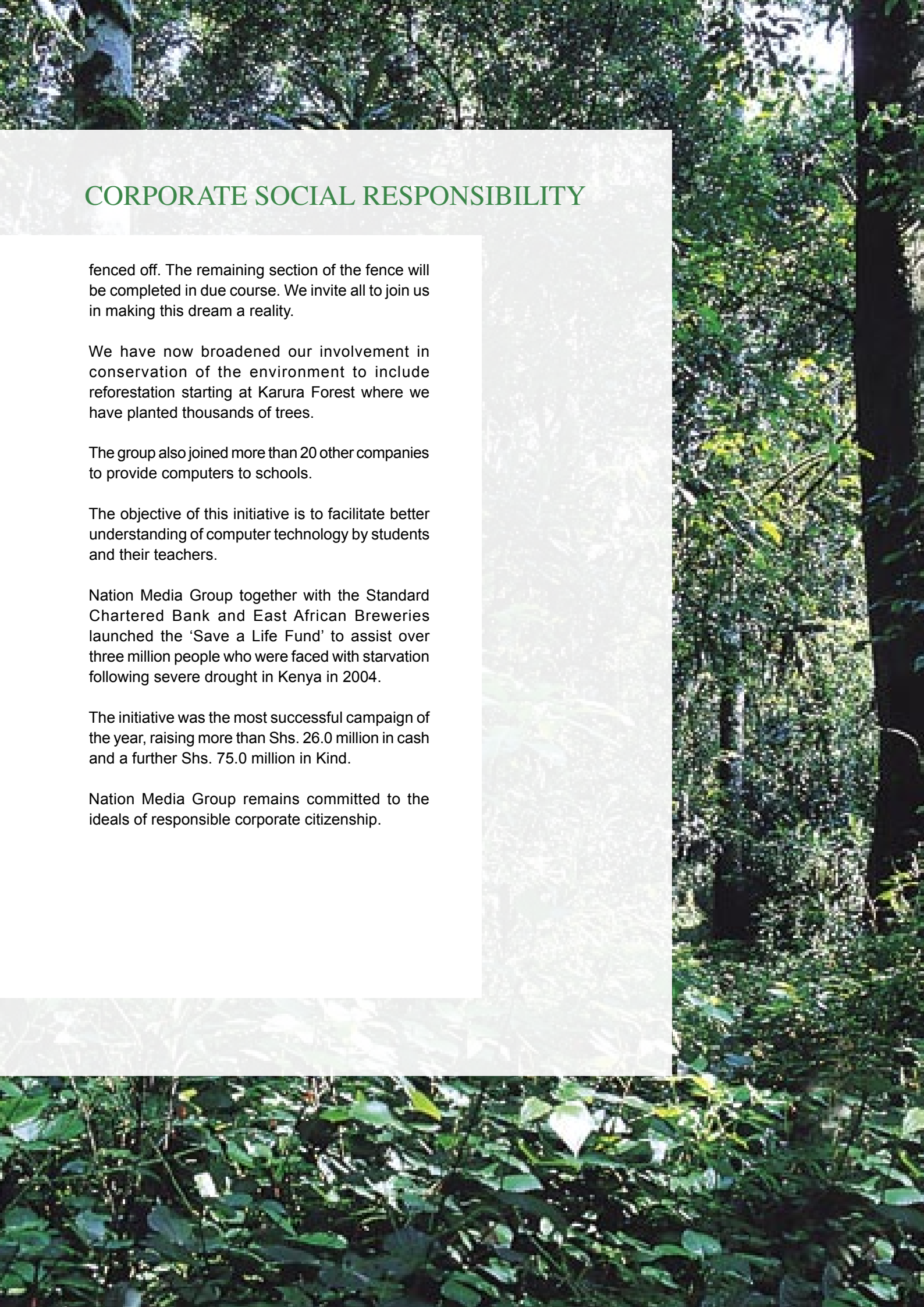
The group also joined more than 20 other companies to provide computers to schools.

The objective of this initiative is to facilitate better understanding of computer technology by students and their teachers.

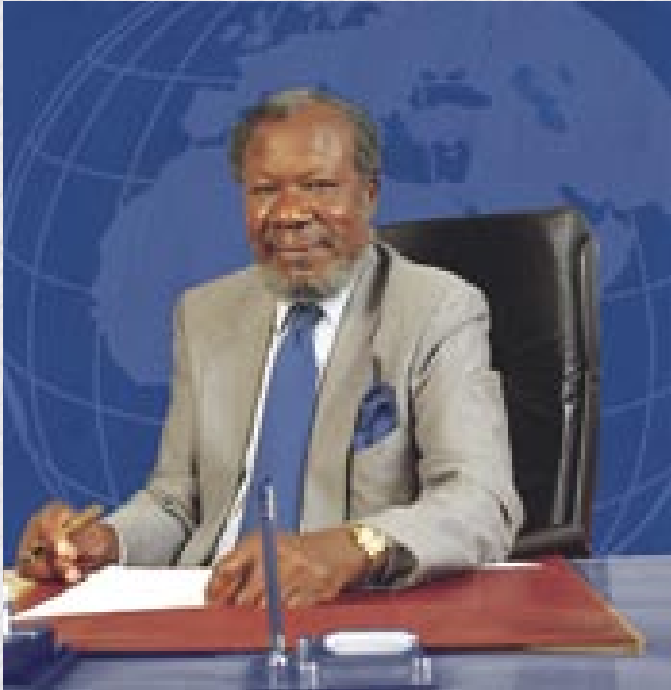
Nation Media Group together with the Standard Chartered Bank and East African Breweries launched the 'Save a Life Fund' to assist over three million people who were faced with starvation following severe drought in Kenya in 2004.

The initiative was the most successful campaign of the year, raising more than Shs. 26.0 million in cash and a further Shs. 75.0 million in Kind.

Nation Media Group remains committed to the ideals of responsible corporate citizenship.



Chairman's Statement



H. H. Awori
Chairman

Following the exceptionally strong performance in 2003, I am pleased to report continued good results of your group in 2004.

The group maintained the regional consolidation strategy and commissioned printing presses both at Monitor Publications in Uganda and Mwananchi Communications in Tanzania.

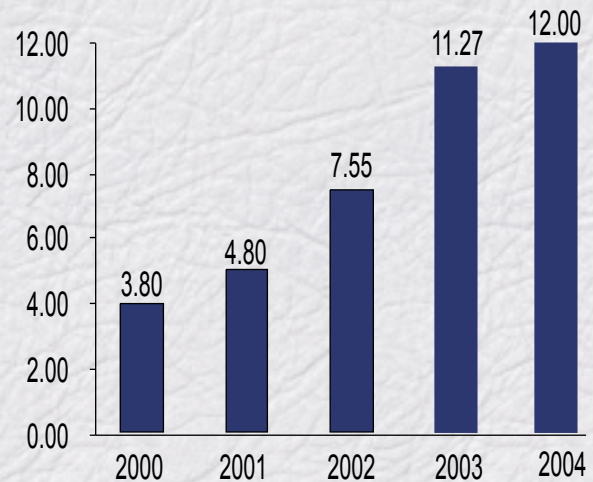
The group also incorporated East African Magazines Limited as a joint venture company with Media 24 of South Africa to develop magazine publishing interests in the region.

2004 RESULTS

Profit attributable to shareholders increased by 6% to Kshs.641.4 million. The group's flagship, Nation Newspapers maintained its profitability inspite of major increases in the cost of newsprint without corresponding increases in the cover prices of its main publications. Nation Broadcasting continued to realise further improvement in performance and realised an operating cash surplus.

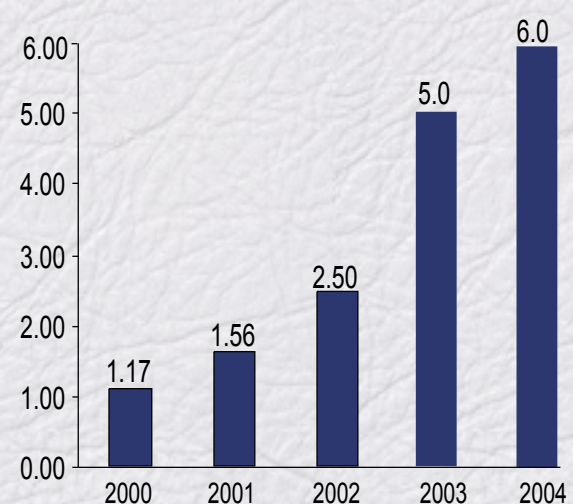
The group's cash reserves reduced from Kshs.1.3 billion at the end of 2003 to Kshs.0.8 billion in December 2004 after investment of Kshs.552.7 million in capital expenditure and payment of Kshs.535 million in dividends during the year.

Earnings per share(shs)



Following the payment of an interim dividend of Kshs.1.00 (20%) per share in September 2004, your Board now recommends a final dividend payment of Kshs.5.00 (100%) per share. The proposed total ordinary dividend for 2004 at Kshs.6.00 (120%) per share represents a 20% increase over last year's ordinary dividend payout of Kshs.5.00 per share.

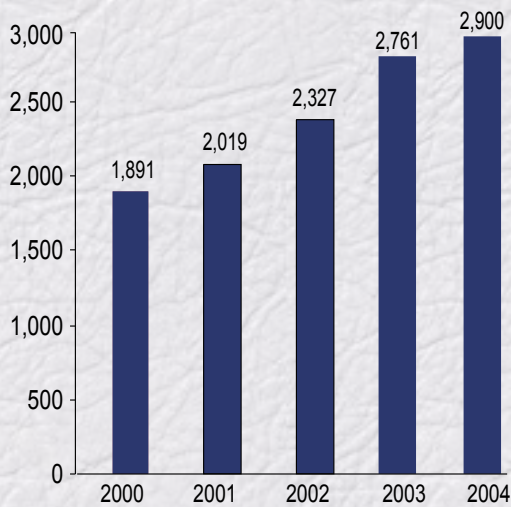
Dividends per share (shs)



STRATEGY

We intend to maintain our strategy of consolidating our position in the media market in East Africa while we establish a firm foundation to pursue other opportunities beyond our current area of operations.

Shareholder's funds (shs m)



THE BOARD

I would like to thank all the Board members and in particular pay tribute to Mr. Wilfred Kiboro, who as your Group Chief Executive has continued to lead the company with dedication and determination. The strengthening, stability and continuity of our management team and our Board of Directors continue to be important assets for the company as we consolidate our existing businesses and seek other opportunities to sustain the growth and value of your company.

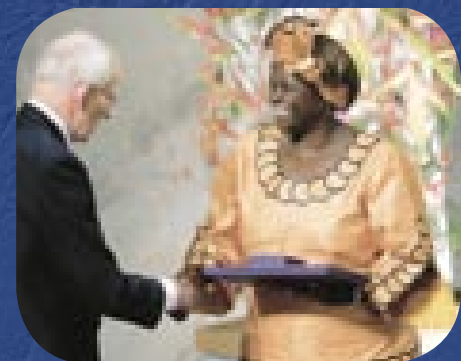
H. H Awori
Chairman



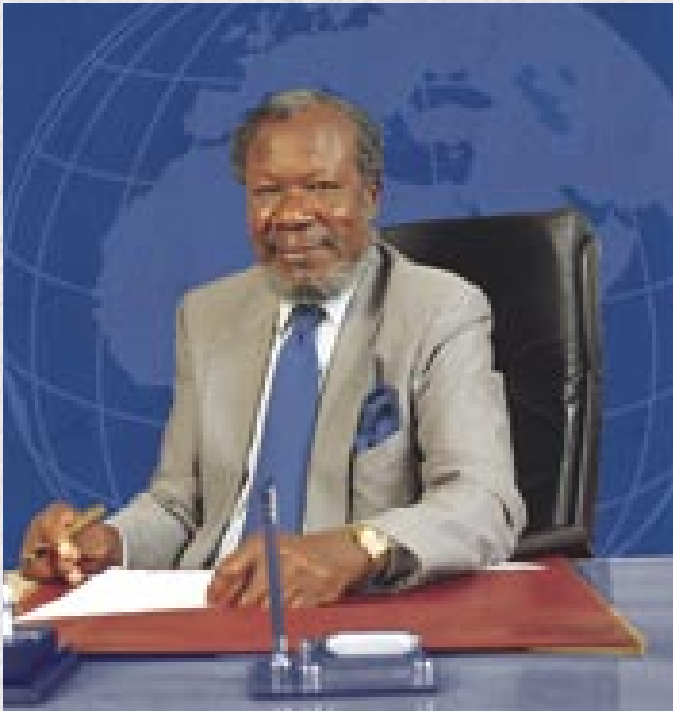
Victorious . . . Kenyan athletes led by Brimin Kipruto (second right) celebrate their dominance of the 3,000m steeplechase at the Athens Olympics.



A growing stable . . . Group CEO W.D. Kiboro and staff at the launch of NMG's latest title, The Citizen, in Tanzania.



Global award . . . A historic moment as Prof Wangari Maathai receives her Nobel Peace Prize from Mr Ole Danbolt Mjos in Oslo.



Hannington Awori
Mwenyekiti

Nina furaha kutangaza matokeo mazuri ya kibiashara ya kampuni yenu mwaka 2004 kufuatia matokeo mazuri ya kipekee ya kibiashara mnamo 2003.

Kama sehemu ya mkakati wa pamoja unaozingatiwa katika kanda hii, viwanda vya uchapishaji katika Monitor Publications nchini Uganda na Mwananchi Communications nchini Tanzania, vilizinduliwa.

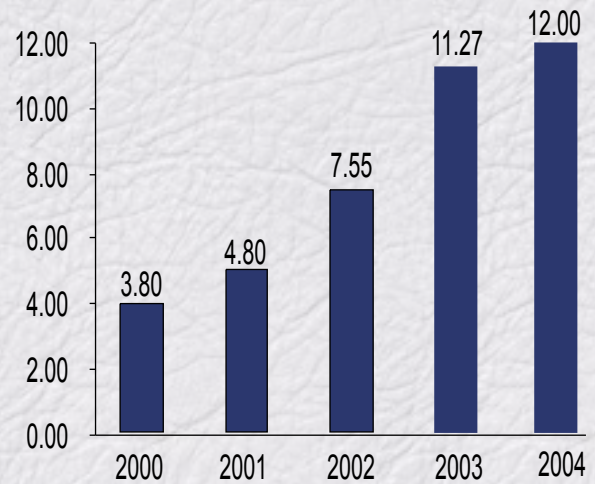
Kampuni hii vilevile iliishirikisha kampuni ya East African Magazines pamoja na Media 24 ya Afrika Kusini ili kuendeleza uchapishaji wa majarida katika kanda hii.

MATOKEO YA 2004

Faida ya wenyehisa iliongezeka kwa asilimia 6 hadi shilingi 641.4 milioni. Shughuli kuu ya kampuni hii, Nation Newspapers, ilihifadhi upeo wake wa faida licha ya kuongezeka kwa gharama za uchapishaji bila kuongeza ipasavyo bei za magazeti yake huku Nation Broadcasting ikiendelea kupata ufanisi mkubwa kibiashara.

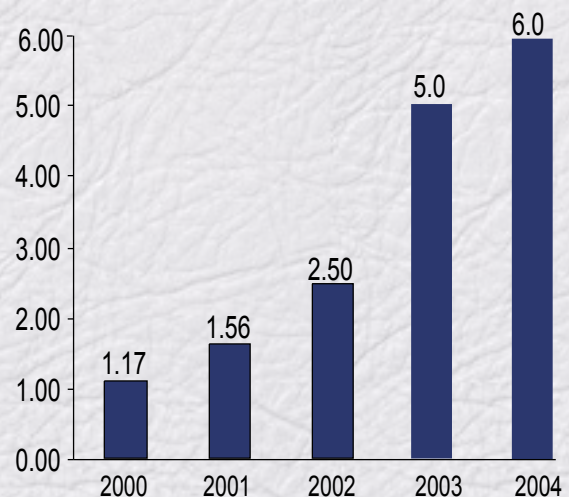
Hifadhi za pesa taslimu za kampuni zilipungua kutoka shilingi 1.3 bilioni kufikia mwishoni mwa 2003 hadi shilingi 0.8 bilioni, Disemba 2004 baada ya kuwekeza shilingi 552.7 milioni katika rasimali ya matumizi ya mtaji na kutumia shilingi 535 milioni kulipa mgawo wa mwaka huo.

Mapato kwa kila hisa (shs)



Kufuatia malipo ya mgawo wa muda wa shilingi 1.00 (asilimia 20) kwa kila hisa mnamo Septemba mwaka jana, Halmashauri yenu sasa inapendekeza malipo ya mwisho ya mgawo wa shilingi 5.00 (asilimia 100) kwa kila hisa. Pendekezo hilo la mgawo wa shilingi 6.00 (asilimia 120) kwa kila hisa ya kawaida, linaonyesha ongezeko la asilimia 20 juu ya malipo ya mwaka jana ya shilingi 5.00 kwa kila hisa.

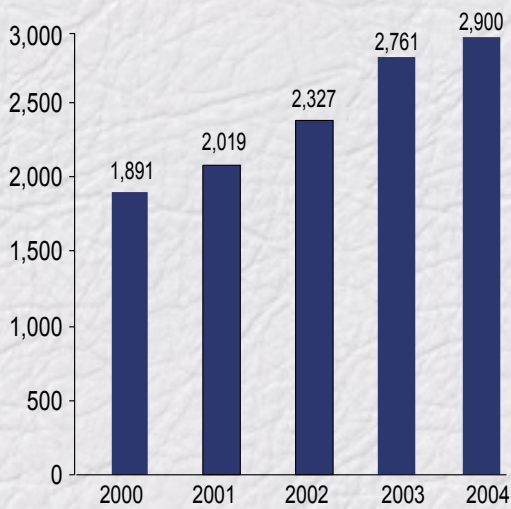
Mgawo kwa kila hisa (shs)



MIKAKATI

Tunakusudia kudumisha mkakati ya kuimarisha biashara yetu katika soko la usambazaji habari katika Afrika Mashariki huku tukiweka msingi madhubuti wa kutafuta fursa nyingine za kibiashara nje ya eneo tunalohudumu.

Hazina ya wanahisa (shs m)



HALMASHAURI

Napenda kuwashukuru wanachama wote wa halmashauri na hasa kumpongeza Bw. Wilfred Kiboro, ambaye kama Afisa Mkuu Mtendaji, ameendelea kuongoza kampuni kwa kujitolea kwa dhiti na ushupavu. Uthabiti pamoja na kuimarika kwa kundi letu la wasimamizi na Halmashauri yetu ya Wakurugenzi unaendelea kuwa rasilmali muhimu kwa kampuni huku tukizatiti biashara zetu zilizopo na kuendeleza ukuaji pamoja na thamani ya kampuni yenu.

Bw. H. H. Awori
Mwenyekiti



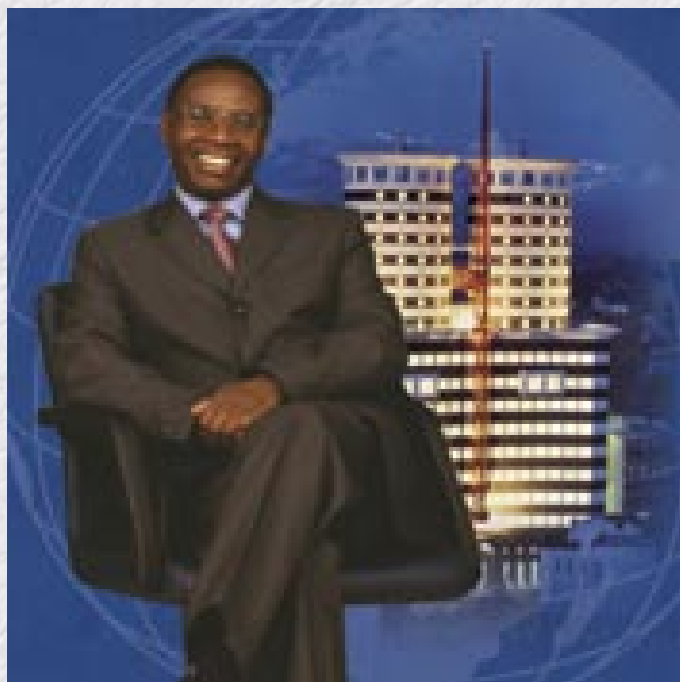
Kama kawaida yake... Rais wa Marekani George W. Bush akiomba nafasi ya kupewa mamlaka ya kuongoza tena..



Mabadiliko... Aliyekuwa Rais wa Palestina Yasser Arafat afariki baada ya kuugua kwa muda.



Vurugu...Wanajeshi wa Marekani wakashika doria katika mojawapo ya maeneo hatari huko Iraq.

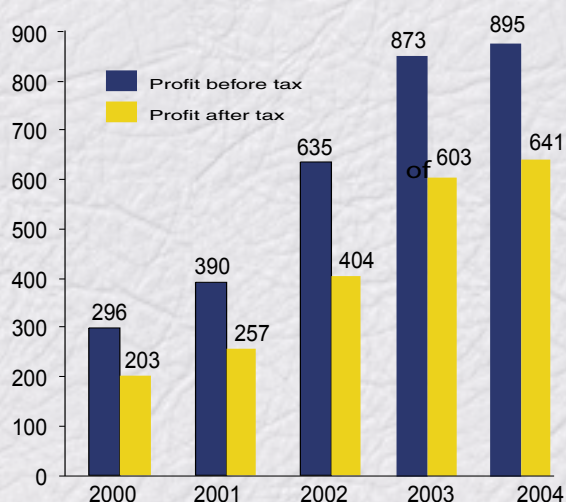


W D Kiboro
Group Chief Executive Officer

The group continued to consolidate its recent diversification initiatives in both the electronic and print media across the region.

Turnover increased by shs. 397.1 million (9%) to shs. 4.9 billion. The group operating profit before interest at Shs. 826.0 million (2003 Shs. 810.2 million) was 2.0% ahead of last year while profit before tax at Shs. 894.7 million (2003: Shs. 872.6 million) improved by 2.6%.

Profit before & after tax (shs m)



Capital expenditure for the year was Shs. 552.7 million. The main capital projects undertaken in the year were the setting up of new office premises for Mwananchi Communications in Tanzania and the commissioning of newspaper production and printing facilities in Dar-es Salaam. Radio and television roll out by Nation Broadcasting in Kenya progressed further and all major areas across the country are now covered. Monitor Publications replaced its printing facilities in Kampala - Uganda.

NATION NEWSPAPERS DIVISION (NND)

The division performed exceptionally well, maintaining profitability in spite of significant increases in newsprint costs without effecting any cover price increases of its publications.

The results are attributable to a strong performance in advertising and sustained cost control. A number of enhancements were made to the divisions' publications. In particular, a series of high quality insert magazines and special sections were launched and all were well received in the market.

NATION MARKETING AND PUBLISHING LIMITED (NMP)

The Nation Business Directory continued to grow and is increasingly becoming the directory of choice for the business community. The company substantially grew the number of international magazines distributed. These developments resulted in further improvement in the company's profitability.

NATION BROADCASTING DIVISION (NBD)

Nation Broadcasting continued to extend its broadcasting services countrywide. The increased national coverage for both radio and television supported strong revenue growth which contributed to realization of a cash operating profit.

NATION CARRIERS DIVISION (NCD)

Nation Carriers Division (NCD) courier revenue grew by 27% and the division's operations were extended to Tanzania. Further growth is anticipated in 2005.

MONITOR PUBLICATIONS LIMITED - UGANDA (MPL)

The management structure was reorganized precipitating in material one-off restructuring related costs which impacted the company's results adversely. A printing press was commissioned to improve and increase both mono and colour printing quality and capacity. The radio station was also reformatted and a new station - KFM was launched. KFM has rapidly grown listenership to become one of the leading radio stations in Uganda within the first few months of its operation. The investments made are expected to accrue benefits from 2005.

MWANANCHI COMMUNICATIONS LIMITED - TANZANIA (MCL)

MCL underwent significant development in the year. The company relocated its operations to the new group owned premises, set up its own printing facilities and launched a new daily newspaper, The Citizen. The company is now appropriately resourced to establish itself as a key player in the media market in Tanzania.

Whilst the one off project related costs had an adverse impact on the company results for 2004, significant growth in revenue and improvement in performance are expected to accrue from the investments made from 2005.

RADIO UHURU LIMITED - TANZANIA (RUL)

Following review, the operations of Radio Uhuru were discontinued to facilitate greater focus on consolidation of the print media business in Tanzania. Re-entry of the group in radio broadcasting business in Tanzania will be considered at a later date.

EAST AFRICAN MAGAZINES LIMITED (EAM)

EAM was set up as a joint venture with Media 24 of South Africa to establish magazine publishing operations in East Africa. Two magazines, True Love and Drum were launched in the year. Management is optimistic of attaining market leadership in the magazine media segment in the region soon.

PROPERTY DEVELOPMENT AND MANAGEMENT LIMITED (PDM)

PDM continued to have excellent occupancy levels in both its commercial and residential properties resulting in further growth in profits.

APPRECIATION

In conclusion, I would like to thank our loyal customers and staff for their continued support and contributions to our business success and also to thank the Board for its untiring guidance and direction during the year. The realisation of yet another successful year bears clear testimony of the efforts of a great team. I trust that together we shall work as hard to achieve even better results in the year ahead.

W D Kiboro
Group chief executive officer



New times . . . Fresh hope for Somalia as newly elected President Abdulahi Yusuf Ahmed assumes the reins of power.

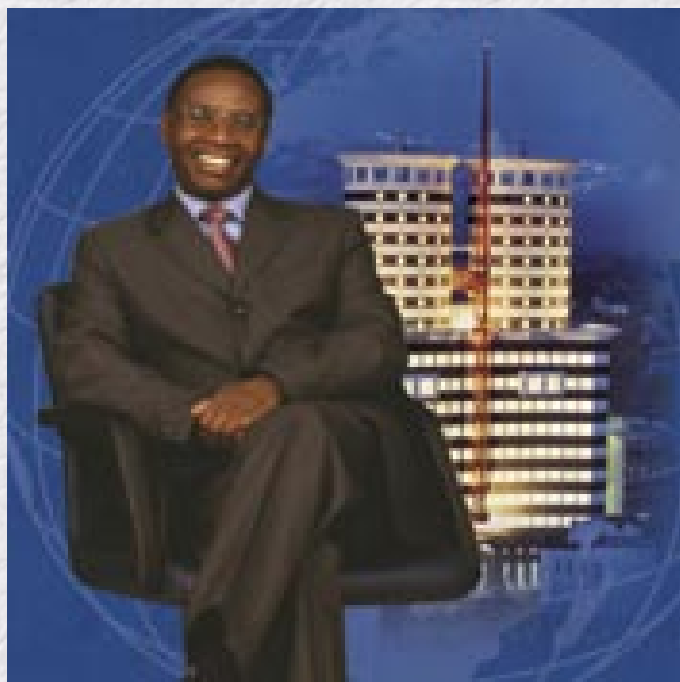


New dawn . . . SPLA leader John Garang and Sudanese Vice-President Ali Osman Taha signal a fresh start for Sudan.



Any which way . . . Commuters take a dangerous ride following a public transport crunch caused by tough traffic rules.

Ripoti ya Afisa Mkuu Mtendaji wa Kampuni

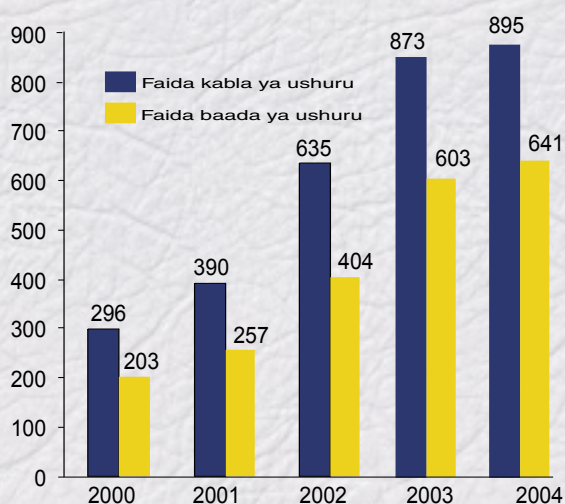


W D Kiboro
Afisa mkuu mtendaji

Kampuni iliendelea kuimarisha hatua zake za upanuzi katika kitengo cha elektroniki na uchapishaji kwenye kanda nzima.

Mapato yaliongezeka kwa shilingi milioni 397.1 (asilimia 9) hadi shilingi bilioni 4.9. Faida ya uendeshaji ya kampuni kabla ya riba ya shilingi milioni 826.0 (mwaka wa 2003, shilingi milioni 810.2) ilikuwa asilimia 2.0 zaidi ya mwaka uliopita na faida kabla ya riba ya shilingi milioni 894.7 (mwaka wa 2003, shilingi milioni 872.6) iliongezeka kwa asilimia 2.6.

Faida kabla na baada ya ushuru (shs m)



Matumizi ya mtaji ya mwaka yalikuwa shilingi milioni 552.7. Miradi mkuu iliyofanywa mwaka huo ilikuwa kujenga afisi mpya za Mwananchi Communications nchini Tanzania na kuzekwa kwa mitambo ya kuchapisha magazeti huko jijini Dar-es salaam. Usambazaji wa masafa ya Redio na Runinga wa Nation Broadcasting ulimarika zaidi na kuenea sehemu zote muhimu nchini Kenya. Monitor Publications ilibadilisha mitambo yake ya uchapishaji nchini Kampala – Uganda.

NATION NEWSPAPERS DIVISION (NND)

Kitengo hiki kilifanya vizuri sana, kwa kuendelea kupata faida licha ya kuongezeka kwa bei za uchapishaji magazeti bila ya kuathiri bei ya machapisho yake.

Matokeo yake mazuri na ufanisi huo yalipatikana kutoka kwa idara ya mauzo na hali kadhalika iliikimu gharama ya matumizi yake. Uboreshaji ulifanyika kwenye vitengo vya uchapishaji. Hasa, mpangilio wa makala moto moto na kuzunduliwa kwa majarida maalum yote ambayo yalipokelewa vyema kwenye soko.

NATION MARKETING AND PUBLISHING LIMITED (NMP)

Kitabu cha orodha ya majina na anuwani cha Nation Business Directory kiliendelea kukuwa na vilevile kinaendelea kuwa kitabu kiteule cha orodha za biashara katika jamii ya kibiashara. Kampuni iliongeza kusambaza kiwango kikubwa cha majarida ya kimataifa. Maendeleo haya yalipelekea kuweco ongezeko kubwa la faida katika kampuni.

NATION BROADCASTING DIVISION (NBD)

Kitengo cha Shirika la Utangazaji la Nation kiliendelea kusambaza huduma zake za utangazaji kwote nchini. Kusambazika kwa vituo vya Redio na Runinga katika maeneo mengi, vilisaidia pakubwa kuimarika na kuongezeka kwa mapato ambayo yalichangia kupatikana kwa faida taslim ya uendeshaji.

NATION CARRIERS DIVISION (NCD)

Mapato ya uchukuzi ya kitengo cha Nation Carriers Division (NCD) yaliongezeka kwa asilimia 27% na utenda kazi wa kitengo hiki ulifika hadi Tanzania. Upanuzi zaidi unatarajiwa mwaka 2005.

MONITOR PUBLICATIONS LIMITED – UGANDA (MPL)

Mfumo wa usimamizi ulibadilishwa kama njia mojawapo ya kubana matumizi ya kiusimamizi, taratibu ambayo ilipelekea mabadiliko makubwa katika kampuni hii. Kitengo cha uchapishaji kiliagizwa ili kuboresha na kuongeza kiwango cha rangi za uchapishaji. Kituo cha Redio kilikarabatiwa upya na stesheni mpya ya - K FM kuzinduliwa. KFM imefanikiwa kuwa na ongezeko la wasikilizaji na kuifanya kuwa bora dhidi ya stesheni nyingine nchini Uganda kwa mda wa miezi kadhaa ya kwanza ya utendaji kazi wake. Uwekezaji uliofanywa unatarajiwa kuongeza faida kuanzia mwaka wa 2005.

MWANANCHI COMMUNICATIONS LIMITED – TANZANIA (MCL)

MCL ilifanikiwa kupata maendeleo muhimu mwaka huo. Kampuni ilihamisha tenda kazi zake kwenye milki mpya, kusimika mitambo yao ya uchapishaji na kuzinduwa gazeti jipya la kila siku la, The Citizen. Kwa sasa, kampuni imeshajijenga yenyewe kwa kuwa na rasilmali na kuonekana iliyo bora zaidi kwenye soko la vyombo vya habari nchini Tanzania. Mapato na maendeleo muhimu ya ufanisi yanatarajiwa kuongezeka kutoka kwa uwekezaji uliofanywa.

RADIO UHURU LIMITED – TANZANIA (RUL)

Kufuatia ukaguzi, tenda kazi za Radio Uhuru zilisitishwa ili kuwezesha kuangazia kuboreshwa kwa kitengo cha biashara cha uchapishaji nchini Tanzania. Kurudi tena kwa biashara ya utangazaji ya Redio nchini Tanzania itafikiriwa siku zijazo.

EAST AFRICA MAGAZINES LIMITED (EAML)

EAML ilitengenezwa kama shirika dau na Media 24 ya Afrika Kusini ili kuyakuza majarida ya tenda kazi ya uchapishaji kwenye kanda ya Afrika Mashariki. Majarida mawili, True Love na Drum, yalizunduliwa mwaka huo. Hivi karibuni, usimamizi wake una matarajio makubwa ya kuliongoza soko na kitengo cha majarida huko nyanjani.

PROPERTY DEVELOPMENT AND MANAGEMENT LIMITED (PDM)

PDM iliendelea kuongeza kiwango cha wapangaji katika rasilmali zake hivyo basi kupelekea kuwa na ongezeko la faida.

SHUKRANI

Nikimalizia, ningependa kutoa shukurani zangu za dhati kwa wateja wetu na wafanyikazi kwa kuendelea kusaidia na kuchangia kwa moyo mkunjufu ufanisi wa biashara na hali kadhalika kushukuru halmashauri kwa uongozi wao mwema na uelekezaji wao mwaka huo. Matokeo bora ya kuupata mwaka mwingine wa ufanisi ni thibitisho tosha kwamba kazi nzuri ni ile iliyo na ushirikiano na inayofanywa kwa pamoja. Naamini kwamba tutazidi kufanya kazi pamoja kwa bidii.

W D Kiboro
Afisa mkuu mtendaji

Kwaheri Pope John Paul II

Mei 18, 1920 – Aprili 2, 2005



Board of Directors



(Seated l-r) M J Alier, H H O Awori, W D Kiboro, (Standing l-r) L Huebner, A Poonawala, G M Wilkinson, D Aluanga, J Lee, F O Okello, D d'Acremont, A Bekah.

Board of Directors

Chairman (Kenyan)	H H O Awori	Mwenyekiti (Mkenya)
Chief Executive/ Managing (Kenyan)	W D Kiboro	Mrasimumkuu / Msimamizi (Mkenya)
(Ugandan)	M J Alier	(Muganda)
(Kenyan)	A Bekah	(Mkenya)
(French)	D d'Acremont	(Mfaransa)
(Kenyan)	D Aluanga	(Mkenya)
(American)	L Huebner	(Muamerikani)
(British)	J Lee	(Mwingereza)
(Kenyan)	F O Okello	(Mkenya)
(French)	A Poonawala	(Mfaransa)
(Irish)	G M Wilkinson	(Mu-Irish)

Secretary	J C Kinyua	Katibu
Registered Office	Nation Centre Kimathi Street P O Box 49010-00100 Nairobi	Afisi ilikoandikishwa
Advocates	Kaplan & Stratton Willamsons House 4th Ngong Avenue Nairobi	Wakili
Auditors	PricewaterhouseCoopers The Rahimtulla Tower Upper Hill Road Nairobi	Wakaguzi wa Hesabu
Bankers	Standard Chartered Bank of Kenya Limited Stanbank House Moi Avenue Nairobi	Benki

Directors' Report

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PRINCIPAL ACTIVITIES

The predominant activity of the Group is broadcasting.

GROUP RESULTS

The results of the group for the year are set out in the profit and loss account on page 22.

DIVIDENDS

The directors have declared an interim dividend of 20% paid on 8 September 2004 makes a total of 120% in respect of the year ended 31 December 2004.

INCREASE IN AUTHORISED SHARE CAPITAL

The directors recommend that the authorised share capital of the Company be increased from Kenya Shillings Three Hundred Million (Shs.300,000,000) to Kenya Shillings Six Hundred Million (Shs.600,000,000) divided into One Hundred and Twenty Million (120,000,000) ordinary shares of Kenya Shillings Five (Shs.5.00) each, which shall rank pari-passu with the existing ordinary shares of the company, but shall not qualify for the payment of the final dividend for the year 2004.

BONUS ISSUE

The directors recommend, subject to the approval of the Capital Markets Authority and the Nairobi Stock Exchange, a bonus issue at the rate of one full new share for every one existing share to rank pari-passu in all respects with the existing shares in the capital of the Company, except for the above mentioned final dividend. The proposal shall be implemented by an appropriate notification in the local press.

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 17.

Mr. A. B. Bekah, Mr. D. Aluanga, Mr. F. O. Okello and Mr. J. Lee are directors who retire by rotation in accordance with Article 110 of the Company's Articles of Association, and being eligible, offer themselves for re-election.

AUDITORS

PricewaterhouseCoopers continue in office in accordance with Section 159(2) of the Companies Act (Cap 486).

By order of the Board

J C Kinyua
Secretary

16 March 2005

Wakurugenzi wana furaha kutangaza taarifa yao pamoja na taarifa za hesabu zilizokaguliwa za mwaka mwaka uliomalizika Desemba 31, 2004.

SHUGHULI KUU ZA KAMPUNI

Biashara kuu za kampuni ni pamoja na machapisho, uchapishaji na usambazaji wa magazeti na majarida, na utangazaji wa radio na televisheni.

MATOKEO YA KAMPUNI

Matokeo ya Kampuni ya mwaka uliopita yamefafanuliwa zaidi katika hesabu za faida na hasara katika Ukurasa wa 22.

MGAWO

Wakurugenzi wanapendekeza malipo ya mwisho ya mgawo ya asilimia 100% kutokana na mtaji wa hisa zilizotolewa kufikia Desemba 31, 2004, ambao pamoja na mgawo wa muda wa asilimia 20% uliolipwa Septemba 8, 2004 unafikisha jumla ya asilimia 120% kuhusiana na mwaka uliomalizika Desemba 31, 2004.

NYONGEZA KATIKA MTAJI WA HISA ULIOIDHINISHWA

Wakurugenzi wanapendekeza kwamba mtaji wa hisa za Kampuni uongezwe kutoka shilingi Milioni Mia tatu za Kenya (shilingi 300,000,000) zilizogawanywa katika hisa za kawaida Milioni Sitini (60,000,000) za shilingi tano za Kenya (shilingi 5.00) kwa kila hisa hadi shilingi milioni mia sita za Kenya (shilingi 600,000,000) zilizogawanywa katika hisa za kawaida milioni Mia Moja na Ishirini (120,000,000) za shilingi Tano za Kenya (shilingi 5.00) kila moja kwa kuanzisha hisa za kawaida mpya Milioni Sitini (60,000,000) za shilingi Tano za Kenya (shilingi 5.00) kila moja, hisa kama hizo zitajumuishwa pamoja na hisa za kawaida zilizopo, lakini hazitahesabiwa katika malipo ya mwisho ya mgawo ya mwaka wa 2004.

HISA BAKSHISHI

Kutegemea idhini ya Halmashauri ya Mtaji wa Hisa na Shirika la Hisa la Nairobi, wakurugenzi wanapendekeza hisa bakshishi kwa kiwango cha hisa moja iliyolipiwa kamili kwa kila hisa tatu zinazohifadhiwa katika mtaji wa hisa za kampuni uliolipwa kufikia Mei 13, 2005. Hisa hizo mpya zitaorodheshwa sawasawa na hisa zilizopo katika mtaji wa Kampuni, isipokuwa kwa mgawo wa mwisho uliotajwa hapo juu. Pendekezo hili la hisa la Hisa Bakshishi litatekelezwa mara tu baada ya kupokea vibali vinavyohitajika pamoja na idhini, na utekelezaji utatangukiwa kupitia matangazo ya magazeti ya kanda hii.

WAKURUGENZI

Wakurugenzi waliohudumu kuanzia mwaka uliopita hadi wakati huu wa kuchapishwa kwa taarifa hii ni kama walivyo katika orodha iliyochapishwa katika Ukurasa wa 17.

Bw A. B. Bekah, Bw D. Aluanga, Bw F. O. Okello na Bw J. Lee ni wakurugenzi wanaostaafu kwa zamu kwa mujibu wa Kifungu cha 110 cha Kanuni za Kampuni, na kwa kuwa wanastahili, wanajitolea kuchaguliwa tena.

WAKAGUZI WA HESABU

PricewaterhouseCoopers itaendelea kutekeleza wajibu wa ukaguzi wa hesabu kwa mujibu wa Kifungu cha 159 (2) cha Sheria ya Kampuni (sura 486).

Kwa Amri Ya Halmashauri

J. C. Kinyua
Katibu

Machi 16, 2005

Statement of Directors' Responsibilities

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the group at the end of the financial year and of the group profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual accounts that have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the company and the group and of the group operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of accounts, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

H H O Awori

D Aluanga

16 March 2005

Report of the Independent Auditors to the Shareholders of Nation Media Group Limited

We have audited the financial statements of Nation Media Group Limited for the year ended 31 December 2004 set out on pages 22 to 40.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of financial statements as described on page 20. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purposes of our audit and believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the group's and of the company's financial affairs at 31 December 2004 and of the profit and cash flows of the group for the year then ended and comply with International Financial Reporting Standards and the Kenyan Companies Act. The company's balance sheet is in agreement with the books of account.



PricewaterhouseCoopers
Certified Public Accountants

16 March 2005 Nairobi

Group Profit and Loss Account

for the year ended 31 December, 2004

	Note	2004 Shs m	2003 Shs m
Sales	4	4,866.2	4,469.1
Cost of sales		(1,184.2)	(924.5)
Gross profit		3,682.0	3,544.6
Distribution costs		(177.7)	(147.8)
Administrative expenses		(696.9)	(654.6)
Other operating expenses		(1,981.4)	(1,932.0)
Operating profit	5	826.0	810.2
Finance income	7	34.0	44.2
Share of results of associates	12	34.7	18.2
Profit before income tax		894.7	872.6
Income tax expense	8	(303.1)	(282.6)
Profit before minority interest		591.6	590.0
Minority interest	23	49.8	12.8
Profit for the year		641.4	602.8
Basic and diluted earnings per share (Shs)	9	12.0	11.3
Dividends:		2004 Shs m	2003 Shs m
Interim dividend - paid in the year	20	53.5	53.5
Proposed final dividend for the year	20	267.5	214.0
Proposed special dividend	20	-	267.5
		321.0	535.0

Balance Sheet

as at 31 December, 2004

	Note	Group		Company	
		2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
CAPITAL EMPLOYED					
Capital and reserves					
Share capital	10	267.5	267.5	267.5	267.5
Other reserves	11	10.3	31.3	45.5	68.0
Retained earnings		2,354.9	2,012.0	2,307.1	1,934.2
Proposed dividends		267.5	481.5	267.5	481.5
<hr/>					
Shareholders' funds		2,900.2	2,792.3	2,887.6	2,751.2
Minority interest	23	(43.4)	(10.9)	-	-
<hr/>					
		2,856.8	2,781.4	2,887.6	2,751.2
Non-current liabilities					
Deferred income tax	13	10.6	45.9	10.6	45.9
<hr/>					
		2,867.4	2,827.3	2,898.2	2,797.1
<hr/>					
REPRESENTED BY					
Non-current assets					
Property, plant and equipment	14	1,641.2	1,371.9	1,261.2	1,239.9
Prepaid operating lease rentals	15	110.8	58.4	53.0	53.8
Investment in associates	12	274.4	260.9	94.6	105.9
Investment in subsidiaries		-	-	60.5	52.8
<hr/>					
		2,026.4	1,691.2	1,469.3	1,452.4
<hr/>					
Current assets					
Inventories	16	408.5	274.8	301.5	260.2
Receivables and prepayments	17	766.9	615.0	1,183.2	615.7
Cash and cash equivalents	18	818.9	1,315.7	806.2	1,310.6
Current income tax		28.6	52.4	12.7	52.6
<hr/>					
		2,022.9	2,257.9	2,303.6	2,239.1
<hr/>					
Current liabilities					
Payables and accrued expenses	19	1,181.9	1,121.8	874.7	894.4
<hr/>					
		1,181.9	1,121.8	874.7	894.4
<hr/>					
Net current assets		841.0	1,136.1	1,428.9	1,344.7
<hr/>					
		2,867.4	2,827.3	2,898.2	2,797.1
<hr/>					

The financial statements on pages 22 to 40 were approved for issue by the board of directors on and signed on behalf by

Group Statement of Changes in Equity

for the year ended 31 December, 2004

	Note	Share capital Shs m	Other reserves Shs m	Retained earnings Shs m	Proposed dividends Shs m	Total Shs m
Year ended 31 December 2003						
At start of year:						
- as previously reported		267.5	66.8	1,899.0	93.6	2,326.9
- adoption of IAS 40 (revised)	12	-	-	31.4	-	31.4
- transfer of reserves	11	-	(13.8)	13.8	-	-
<hr/>						
- as restated		267.5	53.0	1,944.2	93.6	2,358.3
Currency translation differences	11	-	(21.7)	-	-	(21.7)
Net losses recognised directly in equity		-	(21.7)	-	-	(21.7)
Profit for the year		-	-	602.8	-	602.8
<hr/>						
Total recognised in 2003		-	(21.7)	602.8	-	581.1
Dividends						
- final for 2002 paid		-	-	-	(93.6)	(93.6)
- Interim for 2003 paid	20	-	-	(53.5)	-	(53.5)
- proposed final for 2003	20	-	-	(214.0)	214.0	-
- proposed special for 2003	20	-	-	(267.5)	267.5	-
<hr/>						
At end of year		267.5	31.3	2,012.0	481.5	2,792.3
<hr/>						
Year ended 31 December 2004						
At start of year:						
- as previously reported		267.5	45.1	1,966.8	481.5	2,760.9
- adoption of IAS 40 (revised)	12	-	-	31.4	-	31.4
- transfer of reserves	11	-	(13.8)	13.8	-	-
<hr/>						
- as restated		267.5	31.3	2,012.0	481.5	2,792.3
Transfer of excess depreciation		-	(32.1)	32.1	-	-
Deferred tax on transfer		-	9.6	(9.6)	-	-
Currency translation differences	11	-	1.5	-	-	1.5
<hr/>						
Net gains recognised directly in equity		-	(21.0)	22.5	-	1.5
Profit for the year		-	-	641.4	-	641.4
<hr/>						
Total recognised in 2004		-	(21.0)	663.9	-	642.9
Dividends						
- final for 2003 paid		-	-	-	(481.5)	(481.5)
- Interim for 2004 paid	20	-	-	(53.5)	-	(53.5)
- proposed final for 2004	20	-	-	(267.5)	267.5	-
<hr/>						
At end of year		267.5	10.3	2,354.9	267.5	2,900.2

Company Statement of Changes in Equity

for the year ended 31 December, 2004

	Note	Share capital Shs m	Other reserve Shs m	Retained earnings Shs m	Proposed dividends Shs m	Total Shs m
Year ended 31 December 2003						
At start of year		267.5	68.0	1,864.1	93.6	2,293.2
Profit for the year		-	-	605.1	-	605.1
Dividends						-
- final for 2002 paid		-	-	-	(93.6)	(93.6)
- Interim for 2003 paid	20	-	-	(53.5)	-	(53.5)
- proposed final for 2003	20	-	-	(214.0)	214.0	-
- proposed special for 2003	20	-	-	(267.5)	267.5	-
<hr/>						
At end of year		267.5	68.0	1,934.2	481.5	2,751.2
<hr/>						
Year ended 31 December 2004						
At start of year		267.5	68.0	1,934.2	481.5	2,751.2
Transfer of excess depreciation		-	(32.1)	32.1	-	-
Deferred tax on transfer		-	9.6	(9.6)	-	-
<hr/>						
Net (losses)/gains recognised directly in equity		-	(22.5)	22.5	-	-
Profit for the year		-	-	671.4	-	671.4
<hr/>						
Total recognised in 2004		-	(22.5)	693.9	-	671.4
Dividends						
- final for 2003 paid		-	-	-	(481.5)	(481.5)
- Interim for 2004 paid	20	-	-	(53.5)	-	(53.5)
- proposed final for 2004	20	-	-	(267.5)	267.5	-
<hr/>						
At end of year		267.5	45.5	2,307.1	267.5	2,887.6

Group Cash Flow Statement

for the year ended 31 December, 2004

	Note	2004 Shs m	2003 Shs m
Operating activities			
Cash generated from operations	22	898.4	1,295.0
Interest received	7	31.1	54.2
Interest paid	7	(2.9)	(6.5)
Tax paid		(307.5)	(496.3)
Net cash from operating activities		619.1	846.4
Investing activities			
Purchase of property, plant and equipment	14	(552.7)	(463.6)
Prepayment of operating lease rentals	15	(53.2)	(2.8)
Proceeds from the sale of property, plant and equipment		11.7	18.0
Dividends received	12	15.9	3.9
Net cash used in investing activities		(578.3)	(444.5)
Financing activities			
Repayment of borrowings		-	(4.3)
Dividend paid		(535.0)	(147.1)
Net cash used in financing activities		(535.0)	(151.4)
(Decrease)/increase in cash and cash equivalents		(494.2)	250.5
Movement in cash and cash equivalents			
At start of year		1,315.7	1,069.5
(Decrease)/increase		(494.2)	250.5
Effects of exchange rate changes on cash and cash equivalents		(2.6)	(4.3)
At end of year	18	818.9	1,315.7

Notes to the Accounts

for the year ended 31 December, 2004

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Kenya Shillings (Shs), rounded to the nearest million, and prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

(c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on periodic valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life. The annual rates used for this purpose are as follows:

Land and buildings	2.5%
Plant and equipment	2.5 – 50%

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Revenue recognition

Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Notes to the Accounts

continued

Sales of services are recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue represents the fair value of the consideration receivable for sales of goods and services, and is stated net of value-added tax (VAT), rebates and discounts. Interest income is recognised on a time proportion basis using the effective interest method. Dividends are recognised as income in the period in which the right to receive payment is established.

(e) Investments in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the income statement the Group's share of the associates' profit or loss for the year. The Group's interests in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associates and includes goodwill on acquisition.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Goods in transit are stated at cost. Provision is made for obsolete, slow moving and defective inventories.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(h) Leases

Leases of assets under which significant risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments

(i) Income tax

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the Income Tax Acts of the respective tax jurisdictions.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(j) Employee benefits

(i) Retirement benefits obligation

The group operates a defined contribution retirement benefit scheme for its employees. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the company and employees. The company and all its employees

Notes to the Accounts

continued

also contribute to the National Social Security Fund, which is a defined contribution scheme.

The company's contributions to both the defined contribution schemes are charged to the profit and loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(k) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion of and translation are dealt within the profit and loss account in the year in which they relate.

Income statements of foreign entities are translated into Kenya shillings at the average exchange rate for the year and the balance sheets are translated at the year end exchange rates. Exchange differences arising from the re-translation of the net investment in the foreign subsidiaries are taken to capital reserves in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on sale.

(l) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(m) Comparatives

Where necessary, comparatives have been adjusted to conform with changes in presentation in the current year.

2 General information

Nation Media Group Limited is incorporated in Kenya under the Companies Act as a public limited liability company, and is domiciled in Kenya. The address of its registered office is:

Nation Media Group Limited
Nation Centr
Kimathi Street
PO Box 49010-00100
Nairobi

3 Financial risk management objectives and policies

The group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on its financial performance within the options available in Kenya to hedge against such risks.

Risk management is carried out by the Finance function under policies approved by the Board of Directors. The Finance function identifies, evaluates and hedges against financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as a

The company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Notes to the Accounts

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4 Segmental reporting

	Newspapers & Magazines		Broadcasting		Group	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Sales	4,505.9	4,220.2	360.3	248.9	4,866.2	4,469.1
Allocated costs	(3,411.8)	(3,123.9)	(337.9)	(236.9)	(3,749.7)	(3,360.8)
Segment results	1,094.1	1,096.3	22.4	12.0	1,116.5	1,108.3
Unallocated costs					(290.5)	(298.1)
Operating profit					826.0	810.2
Finance income					34.0	44.2
Share of results of associate					34.7	18.2
Profit before income tax					894.7	872.6
Income tax expense					(303.1)	(282.6)
Minority interest					49.8	12.8
Profit for the year					641.4	602.8
Segment assets	3,260.7	3,286.4	514.2	401.8	3,774.9	3,688.2
Investment in associates					274.4	260.9
					4,049.3	3,949.1
Segment liabilities	1,124.6	1,111.6	57.3	10.2	1,181.9	1,121.8
Capital expenditure	402.3	321.8	150.4	141.8	552.7	463.6
Depreciation	218.2	223.2	74.3	52.3	292.5	275.5
Amortisation	0.8	24.8	-	-	0.8	24.8

5 Operating profit

The following items have been charged/ (credited) in arriving at operating profit

Depreciation on property, plant and equipment (Note 14)	292.5	275.5
Repairs and maintenance expenditure on property, plant and equipment	23.1	37.2
Amortisation of intangible assets	-	24.0
Profit on disposal of property, plant and equipment	(1.2)	(7.7)
Operating lease rentals - office buildings	75.4	68.3
- leasehold land (Note 15)	0.8	0.8
Trade receivables - impairment charge for bad and doubtful debts	28.7	16.4
Staff costs (Note 6)	1,291.8	1,024.0
Auditors' remuneration	5.5	4.9

Notes to the Accounts

continued

6 Staff costs	2004	2003
	Shs m	Shs m
Salaries and wages	1,227.8	971.6
Social security costs	17.1	11.8
Retirement benefit costs – defined contribution scheme	46.9	40.6
	1,291.8	1,024.0
The number of persons employed by the group at the year end was:		
	2004	2003
	Number	Number
Full time	1,044	841
Part time	207	272
	1,251	1,113
7 Finance income/(costs)	2004	2003
	Shs m	Shs m
Interest income	31.1	54.2
Net foreign exchange gain/(loss)	5.8	(3.5)
Interest expense	(2.9)	(6.5)
	34.0	44.2
8 Income tax		
Current income tax	353.5	300.9
Deferred tax (Note 13)	(40.2)	(21.9)
Share of tax on the results of associate (Note 12)	7.1	6.4
(Over)/under provision of current income tax in prior year	(22.2)	2.2
Under/(over) provision of deferred income tax in prior year	4.9	(5.0)
	303.1	282.6

Notes to the Accounts

continued

8 Income tax (continued)

The tax on the group's profit before income tax differs from the theoretical amount that would arise using the tax rate of the home country as follows:

	2004 Shs m	2003 Shs m
Profit before income tax	894.7	872.6
Tax calculated at the statutory income tax rates of 30 % (2003: 30%)	268.5	261.8
- Tax effect of:		
- Income not subject to tax	(4.8)	(1.2)
- Expenses not deductible for tax purposes	56.7	32.9
(Over)/under provision of current income tax in prior year	(22.2)	2.2
Under/(over) provision of deferred income tax in prior year	4.9	(5.0)
Utilisation of previously unrecognized tax losses	-	(8.1)
Income tax expense	303.1	282.6

9 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2004	2003
Net profit attributable to shareholders (Shs million)	641.4	602.8
Weighted average number of ordinary shares in issue (million)	53.5	53.5
Basic earnings per share (Shs)	12.0	11.3

There were no potentially dilutive ordinary shares at either year end.

10 Share capital	Number of shares (million)	Share capital Shs m
Authorised	60	300
Issued and fully paid At 1 January and 31 December 2004	53.5	267.5

Notes to the Accounts

continued

11 Other reserves

The movement in revaluation reserves is as follows:

	Land and buildings Shs m	Associate company Shs m	Currency translation Shs m	Total Shs m
Group				
Year ended 31 December 2003				
At start of year				
- as previously stated	54.3	13.8	(1.3)	66.8
- prior year adjustment	-	(13.8)	-	(13.8)
- as restated	54.3	-	(1.3)	53.0
Currency translation differences	-	-	(21.7)	(21.7)
At end of year	54.3	-	(23.0)	31.3
Year ended 31 December 2004				
At start of year				
- as previously stated	54.3	13.8	(23.0)	45.1
- prior year adjustment	-	(13.8)	-	(13.8)
- as restated	54.3	-	(23.0)	31.3
Transfer of excess depreciation	(32.1)	-	-	(32.1)
Deferred tax on transfer	9.6	-	-	9.6
Currency translation differences	-	-	1.5	1.5
At end of year	31.8	-	(21.5)	10.3

The company's other reserves relate to surpluses, net of deferred tax, arising from the revaluation of land and buildings as shown in the company's statement of changes in equity.

Revaluation reserves are non-distributable.

The prior year adjustment relates to transfer of fair value gains on marketable securities in the associate to retained earnings in accordance with the requirements of International Accounting Standard 39, Financial Instruments: Recognition and Measurement.

Notes to the Accounts

continued

12 Investment in associates

	Group	
	2004 Shs m	2003 Shs m
At start of year		
- as previously stated	229.5	224.9
- adoption of IAS 40 (revised)	31.4	31.4
<hr/>		
- as restated	260.9	256.3
Share of results before tax	34.7	18.2
Share of tax	(7.1)	(6.4)
Dividends received	27.6	11.8
Currency translation differences	(15.9)	(3.9)
	1.8	(3.3)
<hr/>		
	274.4	260.9

The prior year adjustment relates to the adoption of IAS 40 (revised) by an associate, which allows leasehold land held as investment property to be carried at fair value.

Investments in associates are carried in the company's balance at cost less amortisation of goodwill arising on acquisition. The principal associates, both of which are unlisted are:

	Country of incorporation	% interest held
Property Development and Management Limited	Kenya	20%
Radio Uhuru Limited	Tanzania	49%

There were no changes in the interest held in the associates during the year.

13 Deferred tax

	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
At start of year	45.9	72.8	45.9	60.3
Credit to the profit and loss account (Note 8)	(40.2)	(21.9)	(40.2)	(9.5)
Under/(over) provision in prior years (Note 8)	4.9	(5.0)	4.9	(4.9)
<hr/>				
At end of year	10.6	45.9	10.6	45.9

Notes to the Accounts

continued

13 Deferred tax (continued)

Deferred tax assets and liabilities are attributable to the following items:

	As at 1.1.04 Shs m	Charged/ (Credited) P&L Shs m	As at 31.12.04 Shs m
Group			
Deferred tax liabilities			
Property, plant and equipment			
- historical cost	90.9	(23.0)	67.9
- revaluation surplus	19.3	(0.5)	18.8
	110.2	(23.5)	86.7
Deferred tax assets			
Provisions	(85.4)	(11.8)	(97.2)
Tax losses carried forward	(6.2)	(10.3)	(16.5)
	(91.6)	(22.1)	(113.7)
Net deferred tax liability/(asset)	18.6	(45.6)	(27.0)
Deferred tax asset not recognized	27.3	10.3	37.6
Net deferred tax liability	45.9	(35.3)	10.6
Company			
Deferred tax liabilities			
Property, plant and equipment			
- historical cost	84.7	(23.0)	61.7
- revaluation in surplus	20.0	(0.5)	19.5
	104.7	(23.5)	81.2
Deferred tax assets			
Provisions	(58.8)	(11.8)	(70.6)
Net deferred tax liability	45.9	(35.3)	10.6

Deferred tax of Shs 9.6 million was transferred within shareholders' equity from revaluation reserve to retained earnings. This represents deferred tax on the difference between actual depreciation on buildings and the equivalent depreciation based on the historical costs of the buildings for the current year and the prior years.

Notes to the Accounts

continued

14 Property, plant and equipment	Freehold land Shs m	Buildings Shs m	Plant and equipment Shs m	Total Shs m
Group				
Cost or valuation				
At start of year	15.8	234.1	2,539.4	2,789.3
Additions	-	44.4	508.3	552.7
Reclassification	(3.9)	66.9	(63.0)	-
Disposals	(5.9)	-	(55.3)	(61.2)
Currency translation differences	0.4	3.4	30.6	34.4
At end of year	6.4	348.8	2,960.0	3,315.2
Depreciation				
At start of year	0.9	37.1	1,379.4	1,417.4
Charge for the year	-	10.8	281.7	292.5
Reclassification	(0.9)	(7.0)	7.9	-
Disposals	-	-	(50.7)	(50.7)
Currency translation differences	-	8.2	6.6	14.8
At end of year	-	49.1	1,624.9	1,674.0
Net book amount				
At 31 December 2004	6.4	299.7	1,335.1	1,641.2
At 31 December 2003	14.9	197.0	1,160.0	1,371.9
Company				
Cost or valuation				
At start of year	9.9	195.0	2,365.3	2,570.2
Additions	-	1.7	347.4	349.1
Disposals	-	-	(86.3)	(86.3)
Reclassification	(3.5)	18.3	(14.8)	-
At end of year	6.4	215.0	2,611.6	2,833.0
Depreciation				
At start of year	1.0	36.4	1,292.9	1,330.3
Charge for the year	-	7.6	253.6	261.2
Disposals	-	-	(19.7)	(19.7)
Reclassification	(1.0)	0.4	0.6	-
At end of year	-	44.4	1,527.4	1,571.8
Net book amount				
At 31 December 2004	6.4	170.6	1,084.2	1,261.2
At 31 December 2003	8.9	158.6	1,072.4	1,239.9

Notes to the Accounts

continued

14 Property, plant and equipment (continued)

The group's freehold land and buildings were revalued at 31 December 2000 by independent professional valuers. The basis for the valuation was open market value. The book values of the properties were adjusted to the revalued amounts and the resulting surplus, net of deferred tax, was credited to the revaluation reserve in shareholders' equity.

If land and buildings were stated on the historical cost basis, the amounts would be as follows

	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Cost	284.3	158.0	171.5	133.1
Accumulated depreciation	(33.5)	(24.4)	(29.8)	(23.9)
Net book amount	250.8	133.6	141.7	109.2

In the opinion of the directors there is no impairment of property, plant and equipment.

15 Prepaid operating lease rentals

	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
At start of year	58.4	56.4	53.8	54.6
Additions	53.2	2.8	-	-
Amortisation charge for the year	(0.8)	(0.8)	(0.8)	(0.8)
At end of year	110.8	58.4	53.0	53.8

16 Inventories

	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Raw materials at cost	307.9	208.2	227.5	197.0
Engineering spares at cost	48.0	55.1	46.6	53.8
Other stock at cost	52.6	11.5	27.4	9.4
	408.5	274.8	301.5	260.2

17 Receivables and prepayments

Trade receivables	870.2	584.5	644.9	482.1
Less: provision for impairment	(256.7)	(228.0)	(195.7)	(204.7)
	613.5	356.5	449.2	277.4
Amounts due from related parties (Note 25)	7.3	-	625.1	123.4
Other receivables and prepayments	146.1	258.5	108.9	214.9
	766.9	615.0	1,183.2	615.7

Notes to the Accounts

continued

18 Cash and cash equivalents	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Cash and bank balances	102.0	156.1	89.3	151.0
Short term bank deposits	716.9	1,159.6	716.9	1,159.6
	818.9	1,315.7	806.2	1,310.6

The weighted average effective interest rate on the bank deposits at the year- end was 3.2% (2003: 1.8%).

19 Payables and accrued expenses	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Trade payables	347.7	386.1	234.6	309.8
Amounts due to related parties (Note 25)	-	-	7.7	-
Accrued expenses	646.4	460.3	598.4	486.2
Other payables	187.8	275.4	34.0	98.4
	1,181.9	1,121.8	874.7	894.4

20 Dividends per share

At the annual general meeting to be held on 26 May 2005, a final dividend in respect of the year ended 31 December 2004 of Shs.5.0 per share amounting to Shs.267.5 million will be proposed. During the year, an interim dividend of Shs.1.0 per share, amounting to Shs.53.5 million was paid. The total dividend for the year is, therefore, Shs.6.0 per share (2003: Shs.10.0), amounting to Shs.321.0 million (2003: Shs.535.0 million).

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 10% for non-residents.

21 Commitments – Group Capital expenditure

Commitments for capital expenditure at the balance sheet date are as follows:

	2004 Shs m	2003 Shs m
Contracted for but not provided for	104.6	-

Operating leases

The future minimum lease payments under non-cancelable operating leases are as follows:

	2004 Shs m	2003 Shs m
Not later than 1 year	77.6	66.6
Later than 1 year and not later than 5 years	337.5	279.7
	415.1	346.3

Notes to the Accounts

continued

22 Cash generated from operations	2004 Shs m	2003 Shs m
Reconciliation of profit before tax to cash generated from operations		
Profit before income tax	894.7	872.6
Adjustments for:		
Depreciation on property, plant and equipment (Note 14)	292.5	275.5
Amortisation of prepaid operating lease rentals (Note 15)	0.8	0.8
Profit on sale of property, plant and equipment	(1.2)	(7.7)
Interest income (Note 7)	(31.1)	(54.2)
Interest expense (Note 7)	2.9	6.5
Amortisation of intangible assets	-	24.0
Share of result before tax of associate (Note 12)	(34.7)	(18.2)
Changes in working capital		
- inventories	(133.7)	(8.7)
- receivables and prepayments	(151.9)	146.5
- payables and accrued expenses	60.1	57.9
Cash generated from operations	898.4	1,295.0

23 Minority interest <input type="checkbox"/>	2004	2003
At start of year	(10.9)	4.7
Share of results for the year	(49.8)	(12.8)
Shareholders' loans in the year	21.0	-
Currency translation differences	(3.7)	(2.8)
	(43.4)	(10.9)

24 Contingent liabilities

The group is a defendant in various legal actions. The directors have, after taking appropriate legal advice, made a provision where there is a possibility of a loss to the group.

25 Related party transactions

There are a number of companies that are related to Nation Media Group through common shareholding or common directorships. Transactions with related parties are carried out at normal commercial terms and conditions.

	2004 Shs m	2003 Shs m
i) Transactions carried out with related parties	75.3	68.3

Notes to the Accounts

continued

25 Related party transactions (continued)

ii) Outstanding balances from transactions with related parties

Amounts due from related parties	Group		Company	
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Nation Marketing and Publishing Limited	-	-	34.1	41.0
East African Magazines Limited	-	-	29.9	-
Monitor Publications Limited	-	-	241.7	62.6
East African Television Network	-	-	8.0	8.0
Mwananchi Communications Limited	-	-	131.0	4.9
Radio Uhuru Limited	3.7	-	3.7	-
Nation Carriers Uganda Limited	-	-	9.4	6.0
Nation Holdings Tanzania Limited	-	-	162.8	-
Nation Infotech Limited	-	-	0.9	0.9
Nation Carriers Tanzania Limited	3.6	-	3.6	-
	7.3	-	625.1	123.4
Amounts due to related parties				
	2004 Shs m	2003 Shs m	2004 Shs m	2003 Shs m
Nation Holdings Tanzania Limited	-	-	7.7	-
	-	-	7.7	-
iii) Loans to executive directors				
At start of year	12.1	23.5	12.1	23.5
Loans advanced during the year	3.0	-	3.0	-
Loans repaid during the year	(10.8)	(11.4)	(10.8)	(11.4)
At end of year	4.3	12.1	4.3	12.1

Loans to executive directors are on terms similar to those applicable to other employees and are included in other receivables.

iv) Directors' remuneration	2004 Shs m	2003 Shs m
Fees for services as director	7.1	7.8
Other emoluments	30.4	37.2
	37.5	45.0

26 Subsidiary companies

Active subsidiary companies

	Country of incorporation	Holding %
Nation Marketing & Publishing Limited	Kenya	100.0
Monitor Publications Limited	Uganda	60.0
Mwananchi Communications Limited	Tanzania	60.0
Nation Holdings Tanzania Limited	Tanzania	100.0
Nation Carriers Uganda Limited	Uganda	100.0
East African Magazines Limited	Kenya	51.0

In addition, the group has a number of other non-trading subsidiary companies.

Five Year Financial Summary

	2004	2003	2002	2001	2000
	Shs m	Shs m	Shs m	Shs m	Shs m
Results					
Turnover	4,866.2	4,469.1	4,103.4	3,538.8	3,022.6
Profit before tax	894.7	872.6	635.2	390.2	296.1
Profit attributable to shareholders	641.4	602.8	403.8	256.7	203.1
Net assets					
Non-current assets	2,026.4	1,691.2	1,516.3	1,631.9	1,755.4
Net current assets	841.0	1,136.1	875.6	519.0	476.1
Non-current liabilities	(10.6)	(45.9)	(60.3)	(111.5)	(323.6)
Minority interests	43.4	10.9	(4.7)	(20.9)	(17.3)
Shareholders' funds	2,900.2	2,792.3	2,326.9	2,018.5	1,890.6
Profit before tax					
as a percentage of turnover(%)	18.39	19.53	15.48	11.03	9.80
Earnings per share (Shs)*	12.00	11.30	7.55	4.80	3.80
Dividends per share (Shs)*	6.00	5.00	2.50	1.56	1.17
Dividend cover (times)	2.00	2.26	3.02	3.07	3.25

* Adjusted for bonus issues and special dividend

Taarifa Fupi Ya Kifedha Ya Miaka Mitano

Matokeo					
Jumla ya mapato	4,866.2	4,469.1	4,103.4	3,538.8	3,022.6
Faida kabla ya kodi	894.7	872.6	635.2	390.2	296.1
Faida kwa wenyehisa	641.4	602.8	403.8	256.7	203.1
Mali halisi					
Mali thabiti	2,026.4	1,691.2	1,516.3	1,631.9	1,755.4
Mali halisi za sasa	841.0	1,136.1	875.6	519.0	476.1
Madeni ya muda mrefu	(10.6)	(45.9)	(60.3)	(111.5)	(323.6)
Wenyehisa wachache	43.4	10.9	(4.7)	(20.9)	(17.3)
Akiba ya wenyehisa	2,900.2	2,792.3	2,326.9	2,018.5	1,890.6
Faida kabla ya kodi					
Kama asilimia ya mapato	18.39	19.53	15.48	11.03	9.80
Mapato kwa kila hisa (Shilingi)*	12.00	11.30	7.55	4.80	3.80
Migawo kwa kila hisa (Shilingi)*	6.00	5.00	2.50	1.56	1.17
Malipo ya hisa (mara)	2.00	2.26	3.02	3.07	3.25

* Badiliko kuhusu hisa za bonasi na mgawo maalum

Principal Shareholders of the Company & their respective Shareholding at 31 December 2004

No.	Name of shareholder	No. of shares held	%
1.	The Aga Khan Fund for Economic Development (AKFED)	23,919,984	44.73
2.	Mr. Amin Nanji Juma	4,367,523	8.17
3.	National Social Security Fund	1,339,193	2.50
4.	Nima Investments Limited	980,037	1.83
5.	Old Mutual Life Assurance Co. Limited	516,020	0.96
6.	Insurance Company Of East Africa Limited	496,548	0.93
7.	Kenya Commercial Bank Nominees Limited A/C 744	474,912	0.89
8.	Barclays (K) Nominees Limited A/C 1256	469,999	0.88
9.	Barclays (K) Nominees Limited A/C 9098AP	370,000	0.69
10	Barclays (K) Nominees Limited A/C 1853	310,717	0.58

Distribution of Shareholding

at 31 December 2004

No. of shares	No. of shareholders	No. of shares held	% of shareholding
1- 500	1,820	333,955	0.62
501 – 5,000	5,079	6,673,518	12.48
5,001 – 10,000	562	3,776,578	7.06
10,001 – 100,000	218	6,183,081	11.56
100,001 – 1,000,000	25	6,885,113	12.88
Over 1,000,000	3	29,626,700	55.40
TOTAL	7,707	53,478,945	100.00

Proxy Form

I / We _____

_____ being a member/members of Nation Media

Group Limited, hereby appoint _____

of _____

and failing him _____ and failing
him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual
General Meeting of the company to be held on 26 May 2005 and at any adjournment thereof.

As witness my hand this _____

Signature _____

Important notes:

1. If you are unable to attend this meeting personally this form of proxy should be completed and returned to the Secretary, Nation Media Group Limited, P.O. Box 49010 - 00100 Nairobi, to reach him not later than 48 hours before the time appointed for holding the meeting.
2. A person appointed to act as a proxy need not be a member of the company.
3. If the appointer is a corporation, this form of proxy must be under seal or under the hand of an officer or attorney duly authorised in writing.

Fomu ya Uwakilishi

Mimi / sisi _____

_____ kama mwanachama/wanachama

wa Nation Media Group Limited, nateua/tunateua _____

wa _____

na akikosa yeye _____

na akikosa yeye, mwenyekiti wa mkutano kama mwakilishi/wawakilishi wangu / wetu kunipigia kura / kutupigia kura nakwa niaba yangu/yetu kwenye mkutano wa kila mwaka wa kampuni utakaofanywa mnamo Mei 26, 2005, saa tisa alasiri na wakati wa ahirisho lo lote litakalotokea baadaye.

Kama shahidi siku hii _____

Sahihi _____

Maelezo Muhimu:

1. Iwapo hutaweza kuhudhuria mkutano huu wewe mwenyewe binafsi, fomu hii ya kura ya uwakilishi (proxy) lazima ijazwe kwa ukamilifu na kurudishwa kwa Katibu, Nation Media Group Limited, S.L.P. 49010 - 00100 Nairobi, imfikie kabla ya masaa 48 kabla ya muda wa kufanya mkutano kuwadia.
2. Mtu anayeteuliwa kuwa mwakilishi si lazima awe mwanachama wa kampuni.
3. Ikiwa mteuaji ni shirika, fomu hii ya uwakilishi lazima ifungwe kwa lakiri (seal) au ipitie mikononi mwa afisa au wakili mwenye kibali cha maandishi.